

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

July 11, 2001

Docket No. 2000-810

MID-MAINE TELEPHONE COMPANY
Proposed Rate Change

ORDER APPROVING
STIPULATION

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we approve a Stipulation between the Public Advocate (OPA) and Mid-Maine Telephone Company (Mid-Maine). The stipulation settles the pending rate cases for Mid-Maine.

II. BACKGROUND AND DECISION

On September 15, 2000, Mid-Maine Telephone Company filed a proposed rate increase. The primary reason for the proposed increase was the need for Mid-Maine to reduce its access charges in compliance with the requirements of 35-A M.R.S.A. § 7101-B.

On several occasions following the filings, the parties and the advisors met to discuss the issues in the cases. The Public Advocate also conducted written discovery during this period.

On May 4, 2001, the Public Advocate and Mid-Maine filed a stipulation to resolve all issues in the rate proceeding. Under the Stipulation, the basic service rates for both residential and business customers will increase by about half of the amount from their present levels to the rates charged by Verizon for similar calling areas. The Company is also reducing access charges but not all the way to the levels of its interstate access charges filed as part of the NECA Tariff No. 5.

We have established as a Commission goal that all independent telephone companies reduce their access charges to the NECA 5 level by May 30, 2001. We have also recognized that some companies would not be able to do so and continue to maintain rates that are both affordable and comparable to those charged by Verizon for similar calling areas. The Stipulation does not fully accomplish either objective, but we recognize that because of fairly large differences between ITC Verizon rates, it may be advisable to phase in Verizon-equivalent rates. In the near future, we will issue a new rule (Chapter 288) that will establish a high cost universal service fund for those ITCs that are not able to reduce access rates to NECA 5 and simultaneously maintain basic rates that are affordable and comparable to Verizon rates. The Rule will require that if we determine that a company needs high cost universal fund support, it should establish rates that are no less than those of Verizon within three years following the

USF determination. When the high-cost fund is operational, we expect Mid-Maine will apply for such support so that it may reduce their access rates to NECA 5 levels.

In approving a stipulation, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests, whether the process leading to the stipulation was fair and whether the stipulated result is reasonable and not contrary to legislative mandate. See e.g., *Consumers Maine Water Company, Proposed General Rate Increase of Rockland and Hartland Divisions*, Docket No. 96-739 (July 3, 1997) at 2. The Public Advocate represents the using and consuming public of Mid-Maine Telephone Company. No other parties intervened, but the Stipulation required that notice of the proposed rates contained in the Stipulation be provided to customers and that the Commission hold public hearings. There was only limited participation at the public hearings.

We believe a fair process occurred, with all interested parties having an opportunity to participate. We also find that the proposed Stipulation adequately resolves the revenue requirement and rate design issues in these cases. We will therefore allow the Companies to implement the rates contained in the Stipulation.

Accordingly, we

ORDER

1. That the Stipulation (attached to this Order) filed in Docket No. 2000-810, filed on May 4, 2001 is approved and incorporated into this order.

2. That Mid-Maine Telephone Company shall file rate pages that comply with the terms of the Stipulation.

Dated at Augusta, Maine, this 11th day of July, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.